

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI/DFAS
	<b>DATE</b> June 24, 2024

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 13-24

**TO:** STATE WORKFORCE AGENCIES

**FROM:** JOSÉ JAVIER RODRÍGUEZ /s/  
Assistant Secretary

**SUBJECT:** Guidelines for Fiscal Year (FY) 2024 State Agency Unemployment Insurance (UI) Resource Allocations, Supplemental Budget Requests (SBRs), and Above-Base Funding

- Purpose.** To provide information to states about FY 2024 UI State Administration base resource allocations, general guidelines for resource planning, above-base funding, and SBRs.
- Action Requested.** State Administrators are requested to provide copies of this Unemployment Insurance Program Letter (UIPL) to the appropriate staff.
- Summary and Background.** The Further Consolidated Appropriations Act, 2024 (H.R. 2882, P.L. 118-364), which was enacted on March 23, 2024, provides the U.S Department of Labor (Department) with FY 2024 appropriations for state UI operations. The table below summarizes the average weekly insured unemployment (AWIU) levels and dollar amounts corresponding to the FY 2024 President’s Budget request and the FY 2024 appropriation.

Summary of FY 2024 UI Budget Authority

	<b>Budget Request</b>	<b>Appropriation</b>	<b>Difference</b>
AWIU Contingency Trigger	2,365,000	3,075,000	710,000
State Administration	\$2,956,318,000	\$2,759,635,000	-\$196,683,000
RESEA / Integrity	\$550,000,000	\$382,000,000	-\$168,000,000
National Activities	\$173,255,000	\$18,000,000	-\$155,255,000
<b>Total</b>	<b>\$3,679,573,000</b>	<b>\$3,159,635,000</b>	<b>-\$519,938,000</b>

The appropriation provides that these funds are available for obligation by the states through, with exceptions as follows, December 31, 2024. The appropriation extends states’ obligation availability for funds used for automation or competitive grants awarded to states for improved operations and Reemployment Services and Eligibility Act (RESEA) grants through September 30, 2026. If the automation is being carried out through a consortium of states, the funds are available for obligation by the states through September 30, 2030, and must be expended by September 30, 2031. Funding for the Unemployment Insurance

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> December 31, 2031
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Integrity Center of Excellence is available for obligation by the state through September 30, 2025.

#### 4. Details.

**Final Base Administration Allocations.** The final FY 2024 base allocations are identical to the planning targets developed at a 1,800,000 AWIU level, as published in UIPL No. 13-23. The attached table shows the total full FY 2024 base allocations for each state.

#### **Above-Base Administration.**

- a. **Above-Base and Contingency Funding.** The Employment and Training Administration (ETA) estimates the FY 2024 appropriation will be insufficient to provide for full funding of states' above-base administrative earnings. ETA provided above base funding at \$0.50 per \$1.00 earned for the first quarter of FY 2024 and plans to continue to provide above-base funding at this rate for the remaining three quarters. Additional funding, if available, will be included along with the FY 2024 fourth quarter above-base distributions. In addition, the AWIU contingency trigger, which is set to 3,075,000, is far higher than the Department's latest estimated AWIU for FY 2024 set at 2,042,000 based on the economic assumptions used to develop the FY 2025 President's Budget. As a result, no additional contingency funding is likely to be available in FY 2024.
- b. **Administrative Funding for Coronavirus Aid, Relief, and Economic Security (CARES) Act Programs.** Funding for ongoing administrative costs for certain CARES Act programs will be addressed through forthcoming guidance which will be issued through a separate UIPL.
- c. **Support.** The overhead for above-base state UI, Trade Readjustment Allowances (TRA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) administration remains at 19 percent.
- d. **Postage.** Since FY 2007, ETA has, as possible, provided above-base funding for postage directly to state workforce agencies based on the number of weeks claimed workloads not included in the base allocations. In recent years, unprecedented volatility in workload volumes and insufficient funding levels has forced ETA to withhold postage funding on above-base workloads. Based on the current state of above-base administrative funding, ETA will once again withhold postage from states' above-base distributions. If additional funding is available at the end of the year, ETA will first prioritize making up partial payments for above-base earnings before providing any above base postage funding.
- e. **Trade Readjustment Allowance (TRA) Redeterminations.** Currently, there are no court decisions on the TRA program that would require the states to make monetary redeterminations. If one occurs, states must follow the UI-3 reporting instructions in Employment and Training (ET) Handbook No. 336, 18<sup>th</sup> Edition, Change 4.

**Supplemental Budget Requests (SBRs).** Instructions for SBRs are provided mostly through UIPLs. The State Quality Service Plan Handbook also contains SBR instructions and procedures for SBRs. Pending funding availability, states may submit a Standard Form (SF) 424 (Office of Management and Budget (OMB) Approval No. 4040-0004) and SF 424A (OMB Approval No. 0348-0444) for additional funds for certain types of administrative costs (listed below) that are not funded within the states' base and above-base grants.

- a. **Special Projects.** FY 2024 funding for Reemployment Services and Eligibility Assessments (RESEAs) will be provided to states to administer these activities in accordance with UIPL No. 08-24 and each state's approved FY 2024 RESEA state plan.
- b. **Submission Requirements.** To achieve greater efficiency and as part of ETA's ongoing effort to streamline the grant award process, SBR submissions must be made using an electronically signed copy of the SF-424 (Application for Federal Assistance), and the SF-424A (Budget Information for Non-Construction Programs), through Grants.gov (<https://www.grants.gov/forms>). Additional information on use of Grants.gov for SBR submission will be included in any guidance announcing SBR opportunities.
- c. **Travel.** Travel dollars are available for Benefit Accuracy Measurement Peer Reviews, National Review of States' UI Appeals Quarterly Self-Evaluations, and Tax Performance System reviews. States should provide travel estimates and reimbursement requests to the appropriate Regional Office, rather than submitting a SF 424, for these travel dollars.

**Nationally Funded Activities.** As provided in the State Unemployment Insurance and Employment Service Operations appropriation, the Department will make payments, on behalf of the states, to the entities operating the National Directory of New Hires and the State Information Data Exchange System for use by the states.

**State Flexibility.** All state UI administrative grant funds must be used in accordance with applicable Federal law, including Section 303(a)(8) of the Social Security Act (SSA) and the cost principles contained in 2 C.F.R. Part 200 and 2 C.F.R. Part 2900. States have flexibility to expend grant funds as they deem appropriate and necessary to manage and operate their UI programs to meet established goals and requirements within the parameters of Federal law. The only limitation is that states must use the annual allocated staff-year level for claims activities for above-base reporting purposes. This ensures that states do not earn more above-base resources than they otherwise would have been entitled to earn. This flexibility does not pertain to funding issued for special projects or SBRs; funding for these purposes must be spent in accordance with the spending plans approved for these respective projects.

5. **Inquiries.** Questions are to be submitted to the appropriate ETA Regional Office.

6. **References.**

- Section 303(a)(8) of the Social Security Act, (42 U.S.C. Section 503(a)(8));
- Further Consolidated Appropriations Act, 2024, Public Law (Pub. L.) 118-47;

- 2 C.F.R. Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule*;
- 2 C.F.R Part 2900, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Department of Labor)*;
- OMB Report to the Congress on the BBEDCA 251A Sequestration for Fiscal Year 2024 (March 13, 2024);
- Unemployment Insurance Program Letter (UIPL) No. 08-24, *Fiscal Year (FY) 2024 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued February 21, 2024 and UIPL No. 08-24 Change 1, *Corrected Attachment to (UIPL) No. 08-24*, issued March 22, 2024;
- UIPL No. 13-23, *Fiscal Year (FY) 2024 State Workforce Agency Unemployment Insurance (UI) Resource Planning Targets and Guidelines*, issued September 13, 2023;
- UIPL No. 07-24, *Implementation of Sequestration under the Budget Control Act of 2011 (BCA) for Mandatory Unemployment Insurance Programs for Fiscal Year 2024*, issued January 25, 2024;
- UIPL No. 09-23, *Additional Planning Guidance for the Fiscal Year (FY) 2024 Unemployment Insurance (UI) State Quality Service Plan (SQSP)*, issued June 30, 2023; and
- ETA Handbook No. 336, 18<sup>th</sup> Edition (March 2019), *Unemployment Insurance State Quality Service Plan (SQSP), Planning and Reporting Guidelines*.

## 7. **Attachment.**

- Attachment I: State UI Base Administrative Grants – FY 2024.